BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION OFFICE OF THE SEGRETARY

Postal Rate and Fee Changes

Docket No. R2000-1

Second Set of Interrogatories of National Newspaper Association to the United States Postal Service (NNA/USPS-15)

Pursuant to Section 20 of the Commission's Rules of Practice, the National Newspaper Association (NNA), hereby submits the attached interrogatory to the United States Postal Service (NNA/USPS-15).

Respectfully Submitted,

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QUESTIONS

Please refer the following questions to a witness with the expertise to respond to them and who will be available to explain the responses in oral cross-examination.

NNA/USPS-15. Please refer to the response to NNA/USPS-4 (a), which states that "[t]he PERMIT System was first deployed around 1985." Please further refer to Witness Thress's testimony USPS-T-7 at page 40, lines 18-19, which states: "The Periodical nonprofit equation is estimated using a starting period of 1978Q1. In contrast, the other three Periodical equations all use a starting period of 1971Q1." Please further refer to Witness Tolley's testimony USPS-T-6 at page 19, lines 13-14, which states: "The companion testimony of Thomas Thress (USPS-T-7) provides a detailed explanation of the econometric analysis of mail volumes." Finally, please refer to Witness Tolley's testimony at page 90, Table 7A, which provides the volume forecasts for in-county mail.

- a. Please confirm that the Postal Service's volume forecasts for the test year are based in part on econometric regressions using volume data going back to FY1971.
- b. Please describe the procedure that was used to estimate in-county volume from FY1971 until FY1985.
- c. Please describe any adjustments made in mail volume estimates to adjust for undercounting of within county mail, as referred to in Dr. Tolley's testimony.

- d. Please state the most recent fiscal year for which the in-county volume estimates used no information from the PERMIT system.
- e. Please provide the in-county volume estimate for the year stated in (c).

Certificate of Service

I hereby certify that I have on this 21st day of April, 2000, served the foregoing document in accordance with the Commission's Rules of Practice.

Alexis Baden-Mayer